



Dave Heineman
Governor

STATE OF NEBRASKA

OFFICE OF THE CHIEF INFORMATION OFFICER

Brenda L. Decker
Chief Information Officer
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402-471-3560

To: Network Nebraska Participant
Mike Calvert, Legislative Fiscal Office

From: Brenda L. Decker, State CIO

Date: November 15, 2010

RE: Network Nebraska Detailed Cost Report

Pursuant to Neb.Rev.Stat. 86-5,100 [As amended by LB1071, § 43 (2010)], the Office of the Chief Information Officer has prepared a financial report of actual revenue and expenses dating back to the inception of Network Nebraska—Education, July 2006. This report is to be provided annually to each Network Nebraska—Education participant and to the Legislative Fiscal Office.

The first page of the report is the summary of the Participation Fee, Interregional Transport Fee, and Renovo Software, from FY 2006-07 through FY2009-2010. Subsequent pages provide additional detail for each year and for each subcategory.

If you have any questions about this report, you may contact Steve Schafer, IT Administrator for Financial and Customer Management, Office of the CIO, steve.schafer@nebraska.gov or 402-471-4385.

Copies of this report can be downloaded from www.networknebraska.net.

Neb.Rev.Stat. 86-5,100 The Chief Information Officer, in partnership with the University of Nebraska, shall develop and maintain a statewide, multipurpose, high capacity, scalable telecommunications network to be called Network Nebraska...The Chief Information Officer shall establish a cost structure based on actual costs, including necessary administrative expenses but not including administrative travel or conference expenses, and shall charge participants according to such cost structure. The Chief Information Officer shall annually provide a detailed report of such costs to each participant and to the Legislative Fiscal Analyst.

NETWORK NEBRASKA (Distance Education)

	FY 2007	FY 2008	FY 2009	FY 2010	TOTAL
REVENUE					
Interregional Transport Fee	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 184,085
Participation Fee	\$ -	\$ 188,001	\$ 431,604	\$ 531,416	\$ 1,151,021
Renovo	\$ 99,093	\$ 316,933	\$ 699,004	\$ 112,700	\$ 1,227,730
Total:	\$ 99,093	\$ 504,934	\$ 1,212,849	\$ 745,960	\$ 2,562,836

EXPENSES					
Salaries\Benefits	\$ -	\$ 38,610	\$ 81,807	\$ 84,785	\$ 205,202
Communication Expenses	\$ -	\$ 127,019	\$ 163,020	\$ 181,186	\$ 471,225
Contractual Services	\$ 37,732	\$ 137,849	\$ 221,152	\$ 364,341	\$ 761,074
Software	\$ 130,523	\$ 195,595	\$ 699,004	\$ 112,700	\$ 1,137,822
Indirect Costs	\$ -	\$ 11,769	\$ 38,826	\$ 34,267	\$ 84,862
Other Operating Expenses	\$ 17,165	\$ 56,633	\$ 14,412	\$ 1,313	\$ 89,523
Total:	\$ 185,420	\$ 567,475	\$ 1,218,221	\$ 778,592	\$ 2,749,708
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ (186,872)

FY 2010 E-rate \$ 161,473
\$ (25,399)

Service	FY 2007	FY 2008	FY 2009	FY 2010	Deferred	TOTAL
RENOVO						
Revenue	\$ 99,093	\$ 316,933	\$ 699,004	\$ 112,700		\$ 1,227,730
Expenses	\$ 185,420	\$ 230,606	\$ 699,004	\$ 112,700	\$ -	\$ 1,227,730
Variance	\$ (86,327)	\$ 86,327	\$ -	\$ -		\$ -
PARTICIPATION FEE						
Revenue	\$ -	\$ 188,001	\$ 431,604	\$ 531,416		\$ 1,151,021
Expenses	\$ -	\$ 336,869	\$ 356,197	\$ 484,706	\$ -	\$ 1,177,772
Variance	\$ -	\$ (148,868)	\$ 75,407	\$ 46,710		\$ (26,751)
INTERREGIONAL TRANSPORT FEE						
Revenue	\$ -	\$ -	\$ 82,241	\$ 101,844	\$ 161,473	\$ 345,558
Expenses	\$ -	\$ -	\$ 163,020	\$ 181,186		\$ 344,206
Variance	\$ -	\$ -	\$ (80,779)	\$ (79,342)	\$ 161,473	\$ 1,352
TOTAL:						
Revenue	\$ 99,093.00	\$ 504,934.00	\$ 1,212,849.00	\$ 745,960.00	\$ 161,473	\$ 2,724,309.00
Expenses	\$ 185,420.00	\$ 567,475.00	\$ 1,218,221.00	\$ 731,528.00	\$ -	\$ 2,749,708.00
Variance	\$ (86,327)	\$ (62,541)	\$ (5,372)	\$ (32,632)	\$ 161,473	\$ (25,399)

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NETWORK NEBRASKA (Distance Education)**INCOME STATEMENT****For The Year Ending June 30, 2007****REVENUE**

Interregional Transport Fee	\$	-
Participation Fee	\$	-
Renovo	\$	99,932

Total: \$ 99,932

EXPENSES

Salaries\Benefits	\$	-
Communication Expenses	\$	-
Contractual Services	\$	37,732
Software	\$	130,523
Indirect Costs	\$	-
Other Operating Expenses	\$	17,165

Total: \$ 185,420

Positive/Negative Variance: \$ (85,488)

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Renovo
For The Year Ending June 30, 2007

REVENUE

Renovo	\$	99,093
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Total:	\$	99,093
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EXPENSES

Salaries\Benefits	\$	-
Communication Expenses	\$	37,732
Contractual Services	\$	-
Software	\$	130,523
Indirect Costs	\$	17,165
Other Operating Expenses	\$	-

Total:	\$	185,420
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Positive/Negative Variance:	\$	(86,327)
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NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT
For The Year Ending June 30, 2008

REVENUE

Interregional Transport Fee	\$	-
Participation Fee	\$	188,001
Renovo	\$	316,933

Total: \$ 504,934

EXPENSES

Salaries\Benefits	\$	38,610
Communication Expenses	\$	127,019
Contractual Services	\$	137,849
Software	\$	195,595
Indirect Costs	\$	11,769
Other Operating Expenses	\$	56,633

Total: \$ 567,475

Positive/Negative Variance: \$ (62,541)

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Participation Fee
For The Year Ending June 30, 2008

REVENUE

Participation Fee	\$	188,001
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Total:	\$	188,001
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EXPENSES

Salaries\Benefits	\$	38,610
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Communication Expenses	\$	127,019
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Contractual Services	\$	137,849
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Software	\$	-
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Indirect Costs	\$	11,769
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Other Operating Expenses	\$	21,622
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Total:	\$	336,869
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Positive/Negative Variance	\$	(148,868)
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NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Renovo
For The Year Ending June 30, 2008

REVENUE

Renovo	\$	316,933
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Total:	\$	316,933
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EXPENSES

Salaries\Benefits	\$	-
Communication Expenses	\$	-
Contractual Services	\$	-
Software	\$	195,595
Indirect Costs	\$	-
Other Operating Expenses	\$	35,011

Total:	\$	230,606
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Positive/Negative Variance:	\$	86,327
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NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT
For The Year Ending June 30, 2009

REVENUE

Interregional Transport Fee	\$	82,241
Participation Fee	\$	431,604
Renovo	\$	699,004

Total: \$ 1,212,849

EXPENSES

Salaries\Benefits	\$	81,807
Communication Expenses	\$	163,020
Contractual Services	\$	221,152
Software	\$	699,004
Indirect Costs	\$	38,826
Other Operating Expenses	\$	14,412
Startup Costs	\$	49,623

Total: \$ 1,267,844

Positive/Negative Variance: \$ (54,995)

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Participation Fee
For The Year Ending June 30, 2009

REVENUE

Participation Fee	\$	431,604	
Total:		\$	431,604

EXPENSES

Salaries\Benefits	\$	81,807	
Communication Expenses			
Contractual Services	\$	221,152	
Software			
Indirect Costs	\$	38,826	
Other Operating Expenses	\$	14,412	
Start Up Costs	\$	49,623	
Total:		\$	405,820

Positive/Negative Variance: \$ 25,784

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Interregional Transport Fee
For The Year Ending June 30, 2009

REVENUE

Interregional Transport Fee	\$	82,241
Total:	\$	82,241

EXPENSES

Salaries\Benefits		
Communication Expenses	\$	163,020
Contractual Services		
Software		
Indirect Costs		
Other Operating Expenses		
Total:	\$	163,020

Positive/Negative Variance: \$ (80,779)

Footnote: Revenue - a \$126,285 check from the federal E-rate program was issued to cover approximately 63% of the backbone costs but appears as FY 2010 credit against expenses. This was the fiscal year in which the funds were received; Expenses associated with the backbone incurred but not realized in this fiscal year totaled \$36,325 due to delayed billing by the telecommunications provider.

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Renovo
For The Year Ending June 30, 2009

REVENUE

Renovo \$ 699,004

Total: \$ 699,004

EXPENSES

Salaries\Benefits

Communication Expenses

Contractual Services

Software \$ 699,004

Indirect Costs

Other Operating Expenses

Total: \$ 699,004

Positive/Negative Variance: \$ -

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT
For The Year Ending June 30, 2010

REVENUE

Interregional Transport Fee	\$	101,844	
Participation Fee	\$	531,416	
Renovo	\$	112,700	
Total:			\$ 745,960

EXPENSES

Salaries\Benefits	\$	84,785	
Communication Expenses	\$	181,186	
Contractual Services	\$	364,341	
Software	\$	112,700	
Indirect Costs	\$	34,267	
Other Operating Expenses	\$	1,313	
Startup Costs	\$	49,623	
Total:			\$ 828,215

Positive/Negative Variance: \$ (82,255)

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Participation Fee
For The Year Ending June 30, 2010

REVENUE

Participation Fee	\$	531,416	
Total:		\$	531,416

EXPENSES

Salaries\Benefits	\$	84,785	
Communication Expenses			
Contractual Services	\$	364,341	
Software			
Indirect Costs	\$	34,267	
Other Operating Expenses	\$	1,313	
Startup Costs	\$	49,623	
Total:		\$	534,329

Positive/Negative Variance: \$ (2,913)

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Interregional Transport Fee
For The Year Ending June 30, 2010

REVENUE

Interregional Transport Fee	\$	101,844
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Total:	\$	101,844
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EXPENSES

Communication Expenses	\$	181,186
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Total:	\$	181,186
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Positive/Negative Variance:	\$	(79,342)
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Footnote: Revenue - a \$161,473 check from the federal E-rate program will be issued to cover approximately 63% of the backbone costs. These funds will be received and recorded in the upcoming fiscal year. Expenses associated with the backbone incurred but not realized in this fiscal year totaled \$76,959 due to delayed billing by the telecommunications provider.

NETWORK NEBRASKA (Distance Education)
INCOME STATEMENT - Renovo
For The Year Ending June 30, 2010

REVENUE

Renovo	\$	112,700	
Total:			\$ 112,700

EXPENSES

Software	\$	112,700	
Total:			\$ 112,700

Positive/Negative Variance:			\$	-
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